



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 20, 2024



United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

IN RE: McCLAIN FEED YARD, INC., McCLAIN F FARMS, INC., AND 7M CATTLE FEEDERS, INC., Debtors. ¹	Chapter 7 CASE NO. 23-20084-rlj Jointly Administered
RABO AGRIFINANCE LLC, <i>Plaintiff,</i> v. ACEY LIVESTOCK, LLC et al., <i>Defendants.</i> ²	ADV. PROC. NO. 23-02005-rlj Honorable Robert L. Jones

¹ The Debtors in these jointly administered cases are: (1) McClain Feed Yard, Inc. (Case No. 23-20084); (2) McClain Farms, Inc. (Case No. 23-20885); and (3) 7M Cattle Feeders, Inc. (Case No. 23-20886). All three cases are being jointly administered under the case number for McClain Feed Yard, Inc.

DEFAULT JUDGMENT AGAINST DEFENDANTS

DEFENDANTS: (i) C HEART RANCH, LLC; (ii) GARWOOD CATTLE CO.; (iii) KINGDOM TRUST; (iv) LFC CATTLE; (v) PRODUCERS LIVESTOCK COMMISSION; (vi) STARNES CATTLE; (vii) TGF RANCH LLC; (viii) TINDAL TRUCK SALES; (ix) WILDFOREST CATTLE COMPANY, LLC; AND (x) WJ PERFORMANCE HORSES, INC.

² The Defendants named in the Complaint are ACEY LIVESTOCK, LLC; MICHAEL ACEY; STAN E. AYERS, JR.; ARNOLD BRAUN TRUST; ARNOLD BRAUN; ROBERT BRAUN; BAR D RANCH LAND & CATTLE LLC; N. TERRY DICKS; BARRETT'S LIVESTOCK INC.; DON RALPH BARRETT; BELLA ELEGANCE LLC; BIG SEVEN CAPITAL PARTNERS, LLC; DORA BLACKMAN; BRYAN BLACKMAN; EDDIE BRYANT; BRENT BURNETT; JOE BURNETT; TERRY BURNETT; BUSS FAMILY TRUST; EDWIN D. BUSS; DENNIS BUSS; C HEART RANCH, LLC; COLETTE LESH; CARRAWAY CATTLE, LLC; RICHARD CARRAWAY; CURTIS JONES FARMS; DAC83 LLC; ERIC DeJARNATT; DON JONES FARM, INC.; DON JONES TRUCKING, INC.; DUFURRENA CUTTING HORSES; EDWARD LEWIS DUFURRENA; RIETA MAY DUFURRENA; ROBERT ELLIS; MICHAEL EVANS; DOUG FINLEY; GARWOOD CATTLE CO.; JUSTIN GARWOOD; GENE BROOKSHIRE FAMILY, LP; JOEL BROOKSHIRE; GRAY BROTHERS CATTLE; ROBERT GRAY; RONNIE GRAY; JIMMY GREER; GUNGOLL CATTLE, LLC; BRADLEY GUNGOLL; LEAH GUNGOLL; JACE HARROLD; HINES CATTLE COMPANY, LLC; HINES FARMS, LLC; A.J. JACQUES LIIVING TRUST; CORY JESKO; DWIGHT JESKO, JOANN & KEITH BROOKS d/b/a BROOKS FARMS; LARRY KEITH; DUSTIN JOHNSON; DAVID JOHNSON; KINSEY JONES; KINGDOM TRUST; JAMES MCCUAN; KEITH HARRIS; JANICE LAWHON; JAN LESH; MORRISON CAFÉ, LLC; LESH FAMILY TRUST; GARY LESH; JARED LESH; JORDAN LESH, LLC; LFC CATTLE; CHARLES LOCKWOOD; COLE LOCKWOOD; SHERLE LOCKWOOD; NIKKI LOCKWOOD; MAP ENTERPRISES; MIKE GOURLEY; NATALIE MARTUS; JEAN NIX; OPEN A ARENA LLC; BARRY PHILLIPS; DREW PHILLIPS; PRIEST CATTLE COMPANY LTD; PRIEST VICTORY INVESTMENT LLC; CHRISTOPHER PRINCE; PRODUCERS LIVESTOCK COMMISSION; SONNY BARTHOLD; DAVID RAINY; RAPP RANCH; MARK J. REISZ; RALPH REISZ; RIDGEFIELD CAPITAL ASSET MANAGEMENT; JIM GIORDANO; RILEY LIVESTOCK, INC.; ANGIE ROBINSON; RICK RODGERS; STEVE RYAN; JIM RININGER; SCARLET & BLACK CATTLE, LLC; COLTON LONG; SCOTT LIVESTOCK COMPANY; SHAW & SHAW FARMS PARTNERSHIP LLC; THE UNIVERSITY OF FLORIDA; ROBERT J. SPRING; STARNES CATTLE; JEFF STARNES; EDDIE STEWART; ROBERT STEWART; RACHEL STEWART; SCOTT E. STEWART; STEVE T SCOTT FARMS, INC.; JUSTIN STUEVER; PHILLIP SULLIVAN; AMY SUTTON; CRAIG SUTTON; TGF RANCH LLC; TOM FRITH; THORLAKSON DIAMOND T FEEDERS, L.P.; JOHN TIDWELL; MYKEL TIDWELL; TINDAL TRUCK SALES; JOHN TINDAL; JANET VANBUSKIRK; LYNDAL VANBUSKIRK; SUSAN VAN BUSKIRK; COLBY VANBUSKIRK; CAMERON WEDDINGTON; NANCY WEDDINGTON; WILLIAM WEDDINGTON; WILDFOREST CATTLE COMPANY LLC; WILEY ROBY RUSSELL, JR. as TRUSTEE OF THE W. ROBBIE RUSSELL LIVING TRUST; WJ PERFORMANCE HORSES, INC.; JOB WHITE; and KENT RIES, in his capacity as CHAPTER 7 TRUSTEE OF THE DEBTORS' CONSOLIDATED BANKRUPTCY ESTATE.

Pursuant to Federal Rule of Civil Procedure 55(b)(2), made applicable in the above-entitled adversary proceeding by Federal Rule of Bankruptcy Procedure 7055, and based upon the Plaintiff's *Motion for Entry of Default Judgment Against Defendants* (i) C Heart Ranch, LLC; (ii) Garwood Cattle Co.; (iii) Kingdom Trust; (iv) LFC Cattle; (v) Producers Livestock Commission; (vi) Starnes Cattle; (vii) TGF Ranch LLC; (viii) Tindal Truck Sales; (ix) Wildforest Cattle Company, LLC; and (x) WJ Performance Horses, Inc. (the "**Motion**") filed on May 22, 2024 by Plaintiff Rabo AgriFinance LLC ("**Plaintiff**"), in the above-entitled adversary proceeding, and the other pleadings and papers of record and on file in this case—including, but not limited to, the Plaintiff's First Amended Complaint, the Proofs of Service, the Declaration of the Plaintiff's counsel Michael R. Johnson, and the Default Certificates entered by the Clerk of the Court, and for good cause appearing therefore, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

1. Judgment shall be, and it hereby is, entered in favor of the Plaintiff against each of Defendants C Heart Ranch, LLC, Garwood Cattle Co., Kingdom Trust, LFC Cattle, Producers Livestock Commission, Starnes Cattle, TGF Ranch LLC, Tindal Truck Sales, Wildforest Cattle Company, LLC and WJ Performance Horses, Inc. (collectively, the "**Defaulted Defendants**") as follows on Plaintiff's First, Second and Third Claims for Relief, and the Court hereby enters the following declaratory rulings regarding those claims as they relate to the Defaulted Defendants:

A. The claims that the Defaulted Defendants have filed or asserted with the United States Department of Agriculture, Packers & Stockyards Division asserting claims (the "**Dealer Trust Claims**") against McClain Feed Yard, Inc., McClain Farms, Inc, 7M Cattle Feeders, Inc.

and/or Brian McClain (collectively, the “**McClain Debtors**”) under 7 U.S.C. § 217b (the “**Dealer Trust Statute**”) are not valid claims under the Dealer Trust Statute.

B. The Defaulted Defendants’ Dealer Trust Claims are not valid and are not payable under the Dealer Trust Statute.

C. The Defaulted Defendants are not entitled to any funds or payments as a trust fund claimant or secured creditor under the Dealer Trust Statute.

D. The preliminary decision of the United States Department of Agriculture, Packers & Stockyards Division, to disallow the Defaulted Defendants’ Dealer Trust Claims is affirmed, and the Defaulted Defendants have no rights against the McClain Debtors or their bankruptcy estates under the Dealer Trust Statute.

E. The Defaulted Defendants’ rights against the McClain Debtors, their bankruptcy estates and their assets, if any, are junior and inferior to Plaintiff’s rights against the McClain Debtors, their bankruptcy estates and their assets.

F. If and to the extent the Defaulted Defendants have claims against the McClain Debtors related to the subject matter of their Dealer Trust Claims, those claims are, at most, general unsecured claims and not secured claims or trust claims.

2. Except as set forth above, all other requests for declaratory relief in Plaintiff’s Complaint against the Defaulted Defendants, if any, are denied as moot and are dismissed.

3. Plaintiff is hereby awarded its recoverable costs and expenses, if any.

*****END OF ORDER*****

Submitted by:

/s/ Michael R. Johnson, Esq.
RAY QUINNEY & NEBEKER P.C.
36 South State Street, 14th Floor
Salt Lake City, Utah 84111
Telephone: (801) 532-1500
Facsimile: (801) 532-7543
Email: mjohnson@rqn.com
Counsel for Plaintiff